

35 U.S.C. § 103, each of three requirements must be met. First, the reference or references, taken alone or in combination, must teach or suggest each and every element recited in the claims. Second, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to combine the references in a manner resulting in the claimed invention. Third, a reasonable expectation of success must exist. Moreover, each of these requirements must "be found in the prior art, and not be based on applicant's disclosure." (See M.P.E.P. § 2143 (8<sup>th</sup> Ed. 2001)). Applicants submit that these requirements have not been met for at least the following reasons.

Claim 1 recites a combination including, for example, "antipiracy means for including a digital ID tag into the recorded music selections to identify the customer household at which the recording is made." The Examiner, in the Office Action issued October 9, 2001, admitted that "Kleiman does not explicitly disclose that his central controller or central storage has an ID tag in the recorded music to identify the customer at which the recording is made." (See p.4). The Examiner instead asserted that Looney disclosed the ID tag, and that it would have been obvious to one of ordinary skill in the art at the time the invention was made to have combined Looney and Kleiman to achieve the claimed invention. While applicants agree that Kleiman does not disclose an ID tag, applicants respectfully disagree with the remainder of the Examiner's assertions.

Applicants respectfully submit that "the special code or identification" of Looney cannot be the "ID tag" recited in claim 1. As the Examiner noted, Looney further describes its special code as follows:

The CD-ROM and/or individual songs can include a special code or identification that is keyed to the user's system code. In this manner only the user's system can load the songs on its hard drive. Col. 2:51-54.

While the "special code or identification" of Looney is "keyed to the user's system code" Looney's code is used to determine if a user's system is authorized to receive and play the music selection or CD. See also Col. 7:8-27. In order to serve this function, the "special code or identification" of Looney must be inserted into the music at a different time than required by claim 1. In order for Looney's ID tag to prevent a user from recording it, the ID tag must be inserted into the music selection before the music selection is recorded and before it arrives at the customer household. Thus, Looney's ID tag cannot constitute the ID tag recited in claim 1, which requires "means for including a digital ID tag into the recorded music selection to identify the customer household at which the recording was made." The claim requires that the ID tag is inserted into the music selection *after* the music selection is recorded by a "receiver and associated recording means" which is "at each customer household." For these reasons, applicants respectfully submit that Looney does not disclose "antipiracy means for including a digital ID tag into the recorded music selections to identify the customer household at which the recording is made" as recited in claim 1.

Furthermore, applicants respectfully submit that there is no motivation to modify Looney to achieve the antipiracy means recited, for example, in claim 1. As previously noted, the special code or identification of Looney prevents unauthorized copies, while the "digital ID tag" recited in claim 1 "identify[ies] the customer household at which the recording is made." Rather than prohibiting unauthorized copies from being created, the ID tag recited in claim 1, and further described by the specification, instead allows

FINNEGAN  
HENDERSON  
FARABOW  
GARRETT &  
DUNNER LLP

1300 I Street, NW  
Washington, DC 20005  
202.408.4000  
Fax 202.408.4400  
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one to track the source of unauthorized copies. Applicants submit that one of ordinary skill in the art would have recognized that the antipiracy means such as that required by claim 1 would be extraneous to the Looney system. The Looney system prevents the creation of unauthorized copies, and therefore renders moot any need to determine the source of any unauthorized copy. Furthermore, to modify the Looney system to utilize the antipiracy means recited in claim 1 would require one to ignore the express teachings of Looney, which is to "prevent copyright infringement and unauthorized playback of songs by other units that have not paid appropriate license fees for receiving the music." Col. 7:24-26.

In conclusion, applicants respectfully submit that Looney does not disclose or suggest the antipiracy feature of claim 1. Furthermore, the Examiner has admitted that Kleiman does not disclose or suggest this feature, and applicants therefore respectfully submit that it does not cure the deficiencies of Looney. Accordingly, applicants submit that the Examiner has failed to set forth a prima facie case for obviousness and request the timely allowance of claim 1.

Regarding claim 2, there is recited a combination including, for example, "permitting each customer household to permanently select recorded music selections for unrestricted playback and to include a digital ID tag in the recorded music to identify the customer household at which the recording is made." Applicants submit that for at least the same reasons as provided regarding claim 1, Looney does not disclose or suggest "permitting each customer household to permanently select recorded music selections for unrestricted playback and to include a digital ID tag in the recorded music to identify the customer household at which the recording is made." Furthermore,

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HENDERSON  
FARABOW  
GARRETT &  
DUNNER LLP

1300 I Street, NW  
Washington, DC 20005  
202.408.4000  
Fax 202.408.4400  
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applicants respectfully submit that Kleiman does not cure the deficiencies of Looney.

Accordingly, applicants respectfully submit that claim 2 is therefore allowable.

Regarding independent claim 3, there is recited a combination including, for example,

a plurality of user stations at dispersed customer locations for receiving the transmitted music selections, each user station including means for a customer to select and store one or more of the received music selections, and an output for permanently recording one or more of the stored music selections;

and

a billing system associated with the central controller system to bill the customer locations for the permanently recorded music selections;

The Examiner has alleged that Kleiman discloses "a billing system associated with the controller system to bill customer households for music selections that are recorded."

Applicants respectfully submit that whether or not Kleiman discloses "a billing system associated with the controller system to bill customer households for music selections that are recorded," as asserted by the Examiner, it does not disclose or suggest the features recited in claim 3. In the Kleiman system, "[o]nly music which has been enabled through the use of credits can be received, deciphered and played." Col. 9:14-

16. Kleiman further describes this process as follows:

Once the credits are deposited, the PJ is auto-enabled or not disabled by the OSC satellite transmission to download a number of song titles. As a title is downloaded, the number of credits is decreased. The PJ downloads only titles that it has selected, as long as credits remain. Col. 9:6-10.

The Kleiman system therefore requires that a music selection is paid for *before* it can be "received." In contrast, claim 3 requires that "each user station includ[e] means for a

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HENDERSON  
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1300 I Street, NW  
Washington, DC 20005  
202.408.4000  
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customer to select and store one or more of the received music selections, and a recording device for permanently recording one or more of the stored music selections” and “a billing system associated with the central controller system to bill the customer locations for the permanently recorded music selections.” Accordingly, applicants respectfully submit that Kleiman does not disclose at least “a billing system associated with the central controller system to bill the customer locations for the permanently recorded music selections,” as recited in claim 3.

Applicants further submit that Looney does not disclose or suggest at least “a billing system associated with the central controller system to bill the customer locations for the permanently recorded music selections,” and therefore does not cure the deficiencies of Kleiman. As previously discussed, Looney utilizes a special code or identification to “prevent copyright infringement and unauthorized playback of songs by other units that have not paid appropriate license fees for receiving the music.” Col. 7:24-26. Looney, therefore, requires payment prior to receipt of the music selection.

Accordingly, applicants respectfully submit that the combination of Kleiman and Looney fails to disclose or suggest, at least, “a billing system associated with the central controller system to bill the customer locations for the permanently recorded music selections.” Applicants therefore respectfully request the timely allowance of claim 3, and dependent claims 4-14 depending therefrom.

Regarding independent claim 15, there is recited a combination including, for example,

using a plurality of user stations at dispersed customer locations, to receive and store the transmitted music selections;

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HENDERSON  
FARABOW  
GARRETT &  
DUNNER LLP

1300 I Street, NW  
Washington, DC 20005  
202.408.4000  
Fax 202.408.4400  
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permanently recording one or more of the stored music selections;

and

using the central controller system to bill the customer locations for the music selections that are permanently recorded;

Applicants submit that, for at least the reasons provided regarding claim 3, the combination of Kleiman and Looney does not disclose or suggest at least these features. Accordingly, applicants submit that claim 15, and dependent claims 16-23 depending therefrom, are allowable.

Independent claim 34 recites a combination including, for example, "a plurality of user stations comprising...an antipiracy module to embed an ID tag in the decoded music content." In rejecting this claim, the Examiner apparently relied on the same argument discussed above with reference to claim 1, in which the Examiner admitted that "Kleiman does not explicitly disclose that his central controller or central storage has an ID tag in the recorded music to identify the customer at which the recording is made." (See p.4) but instead asserted that Looney disclosed the ID tag, and that it would have been obvious to one of ordinary skill in the art at the time the invention was made to have combined Looney and Kleiman to achieve the claimed invention. While applicants agree that Kleiman does not disclose an ID tag, applicants respectfully disagree with the Examiner regarding the remainder of the assertions.

As discussed with reference to claim 1 above, the special code or identification of Looney must be inserted into a music selection prior to the music arriving at the customer location and being loaded onto the user system. For at least this reason, the special code or identification of Looney cannot be inserted into the music selection at a user station. Looney therefore does not disclose , "a plurality of user stations

FINNEGAN  
HENDERSON  
FARABOW  
GARRETT &  
DUNNER LLP

1300 I Street, NW  
Washington, DC 20005  
202.408.4000  
Fax 202.408.4400  
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comprising...an antipiracy module to embed an ID tag in the decoded music content," as recited in claim 34. Furthermore, applicants respectfully submit that for at least the reasons provided regarding claim 1, it would not have been obvious to one of ordinary skill in the art to modify Looney to achieve the claimed invention. Finally, applicants respectfully submit that Kleiman does not cure the deficiencies of Looney. Accordingly, applicants respectfully submit that claim 34, and dependent claims 35-45 depending therefrom are allowable.

Independent claim 46 recites, for example, "[a] user station...comprising...an anti-piracy module embedding an ID tag in the decoded music content." For at least the reasons provided regarding claims 1 and 34 above, applicants respectfully submit that the combination of Looney and Kleiman do not disclose or suggest at least "[a] user station...comprising...an anti-piracy module embedding an ID tag in the decoded music content." Accordingly, applicants submit that claim 46, and dependent claims 47-50 depending therefrom are allowable.

Independent claim 51 recites a combination including, for example, "receiving the selected transmitted encoded music content at the user station," and "embedding an ID tag in the received music content." For at least the reasons provided regarding claims 1 and 34 above, applicants respectfully submit that the combination of Looney and Kleiman do not disclose or suggest at least "receiving the selected transmitted encoded music content at the user station," and "embedding an ID tag in the received music content." Accordingly, applicants submit that claim 51 is allowable.

Applicants respectfully request the reconsideration and reexamination of this application and the timely allowance of the pending claims.

FINNEGAN  
HENDERSON  
FARABOW  
GARRETT &  
DUNNER LLP

1300 I Street, NW  
Washington, DC 20005  
202.408.4000  
Fax 202.408.4400  
www.finnegan.com


Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,  
GARRETT & DUNNER, L.L.P.

Dated: September 3, 2002

By:

 #42,258

For:

Robert E. Converse, Jr.  
Reg. No. 27,432

FINNEGAN  
HENDERSON  
FARABOW  
GARRETT &  
DUNNER LLP

1300 I Street, NW  
Washington, DC 20005  
202.408.4000  
Fax 202.408.4400  
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**APPENDIX TO AMENDMENT OF SEPTEMBER 3, 2002  
VERSION WITH MARKINGS TO SHOW CHANGES MADE**

**AMENDMENTS TO THE CLAIMS**

1. (Amended) A system for distributing music to customer households, comprising:
  - a data transmission system blanket transmitting a plurality of music selections to customer households;
  - a plurality of user [station] stations at [each] the customer [household] households, the user [station] stations including means permitting the customer household to preselect [desired] transmitted music selections for recording;
  - a receiver and associated recording means at [each] the customer [household] households for recording preselected music selections for unrestricted playback;
  - a central controller system having a database for storing therein an address corresponding to each customer household;
  - a communications link between [each] the customer [household] households and the central controller system to verify to the controller system when a preselected music selection has been recorded;
  - a billing system associated with the central controller system to bill customer households for music selections that are recorded; and
  - antipiracy means for including a digital ID tag into the recorded music selections to identify the customer household at which the recording is made.

2. (Amended) A method of distributing music to customer households comprising the steps of:

blanket transmitting a plurality of music selections to customer households by direct broadcast satellite (DBS) at data transmission rates faster than real time;

providing each customer household with information identifying available music selections that will be transmitted;

permitting each customer household to preselect and record [desired] transmitted music selections in [conventional] standardized format [such as compact disc (CD) format];

permitting [each] the customer [household] households to permanently select recorded music selections [that the customer wishes to maintain] for unrestricted playback and [including] to include a digital ID tag in the recorded music to identify the customer household at which the recording is made;

communicating permanent selection information from [each] the customer [household] households to a central controller system; and

billing the customer households for the recorded music selections that are permanently selected.

3. (Amended) A system for distributing music to customers, comprising:

a data transmission system for transmitting a plurality of music selections;

a plurality of user stations at dispersed customer locations for receiving the transmitted music selections, [each] the user [station] stations including means for a customer to select and [record desired ones] store one or more of the received music

selections, and a recording device for permanently recording one or more of the stored music selections;

a central controller system;

a communications link between [each of] the customer locations and the central controller system to verify to the controller system when [the selected] the stored music selections have been [recorded] permanently recorded;

a billing system associated with the central controller system to bill the customer locations for the permanently recorded music selections [that are recorded]; and

anti-piracy means to identify the customer locations at which the recordings are made.

15. (Amended) A music distribution method, comprising:

transmitting a plurality of music selections;

[a plurality of customers,] using a plurality of user stations at dispersed customer locations, to receive [receiving] and [recording] store the transmitted music selections; permanently recording one or more of the stored music selections;

using a communications link between [each of] the customer locations and a central controller system to verify to the controller system when [the selected] the music selections have been permanently recorded;

using the central controller system to bill the customer locations for the music selections that are permanently recorded; and

providing the transmitted music selections with an anti-piracy feature to identify the customer locations at which the recordings are made.

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HENDERSON  
FARABOW  
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1300 I Street, NW  
Washington, DC 20005  
202.408.4000  
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49. (Amended) The user station of claim [497] 47, wherein the output device comprises a CD-drive.

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HENDERSON  
FARABOW  
GARRETT &  
DUNNER LLP

1300 I Street, NW  
Washington, DC 20005  
202.408.4000  
Fax 202.408.4400  
[www.finnegan.com](http://www.finnegan.com)